REMARKS

1. Applicant thanks the Examiner for the Examiner's comments which have greatly assisted Applicant in responding.

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2.   It should be appreciated that Applicant has elected to amend Claims 1, 4, 16, 30, 35, 38, 50, and 64 solely for the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00). In making such amendment, Applicant has not and does not in any

10   way narrow the scope of protection to which Applicant considers the invention herein to be entitled. Rather, Applicant reserves Applicant's right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

15   3. **35 U.S.C. §103(a).**

(a) The Examiner has rejected Claims 1-9, 11-13, 16-23, 25-43, 45-47, 50-57, and 50-68 under 35 U.S.C. §103(a) as being unpatentable over Kravitz in view of Gopinathan *et al* (Gopinathan). Specifically, the Examiner stated that Kravitz

20   discloses the invention substantially as claimed including in an internet-based method for facilitating payments between parties, the steps of a)-f). The Examiner further stated that Kravitz does not specifically disclose details of indicating a clearance to make transactions based on risk assessment, and that Gopinathan generally discloses features as recited in the preambles of Applicant's claims in

25   connection with detection of fraudulent transactions, like those of Kravitz. At the end, the Examiner stated that the risk-based approval process of Gopinathan would

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reduce losses to users of th electronic payment syst m disclosed by Kravitz, which would make the combination obvious.

Applicant respectfully disagrees.

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Independent Claims 1 and 35

Amended Claim 1 appears as follows:

10   1.   (amended) An apparatus for providing a decisioning solution for a customer, said customer accepting Internet transactions from participating parties, and for facilitating processing of payments between said participating parties, said apparatus comprising:

   a decisioning engine:

15   a message unit architecture for providing smooth integration with messaging to and from said customer:

   means for electronic transferring of funds between said parties, said means comprising using said message unit architecture, wherein a message unit for transfer of funds comprises, but is by no means limited to, purchase information data, seller

20   information data, shipping data information data, auction information data, buyer entered data, source generated data, client maintained data, buyer data, DDA information data, and additional credit card processing information data, wherein said customer can facilitate processing a transfer of funds through a message unit interface to said decisioning engine;

25   means for authenticating said participating parties;

   means for handling exceptions between said participating parties;

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means for processing and reconciling said funds using said message unit architecture;

means for interfacing with said customer's Web page using said message unit architecture;

5   means for reporting to said customer suspicious activity by any of said parties;

means for determining and indicating to said parties approval for shipment of goods and services by said customer; and

means for said decisioning engine providing said decisioning solution to said customer, said decisioning solution indicating clearance to said customer for said

10   customer to transact with said parties, and said decisioning solution based on a determined risk of any of said parties.

Applicant points out that the claimed invention uses a unique message unit architecture for communicating and for transferring data between various

15   components. What is unique about using the claimed message unit architecture is that it uses data in the format consistent with external data processing centers, such as the ACH and FDMS. It is by various key components of the claimed invention incorporating and using such message unit architecture which actually enables the merchant (or any entity in a customer role) to process payments. This is in very

20   stark contrast to the prior art reference, which does not enable a merchant to process payments, but only teaches an agent, an intermediary, for conveying messages about whether or not a payment has or will be made. That is, Kravitz does not teach a message unit architecture. Furthermore, Kravitz does not teach using said message unit architecture for taking an original transaction from a buyer

25   or seller all the way through the payment process to the ACH or FDMS, as does the claimed invention. Neither Kravitz nor Gopinathan teach interfacing a decisioning

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engine with a merchant's Web page and other components using a message unit architecture that is consistent with ACH and FDMS standards, for smooth integration and processing.

5   Support can be founds as follows herein below.

     In Fig. 1.

     Throughout the entire Specification, but more particularly, as follows (emphasis
10   added):

     On page 8, lines 4-5:

     The invention claimed herein acts as the ACH processor for the cited effort, as well as mitigates risk in the virtual world.

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     On page 8, line 22 through page 9, line 2:

     In the preferred embodiment, electronic transfer of funds is facilitated by message units. Typical information in a message unit for transfer of funds comprises, but is by no means limited to, purchase information, seller
20   information, shipping data information, auction information, buyer entered data, source generated data, client maintained data, buyer data, DDA information, and additional credit card processing information.

     On page 9, lines 19-22:

25   In the preferred embodiment, when enrollment related message units are received by the invention herein, all data from the **message units**, as well as

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any standardized fields, are stored and facilitate building in indices to speed search times in subsequent searches.

On page 12, lines 8-17 (showing full integration using message unit architecture):

Possible reasons for declines comprise, but are by no means limited to: aborted reasons, such as **customer's front-end declines** concerning authentication, credit, or fraud risk; decision reasons, such as, for example, failure to authenticate; **ACH reasons**, such as, for example, insufficient funds, account closed, invalid account number, no prenotification on file, and the like; and notification of change (NOC) reasons, wherein NOC further provides information necessary to correct the transaction, such as, for example, incorrect DFI account number, wherein the correct DFI account number appears in a corrected data field.

On page 16, line 1 through page 17, line 5 (only the first line is shown):

7) The invention completes the desired action: Reversal or Refund.

On page 17, lines 19-21:

In the case of seller Initiated refunds, the merchant can process a seller refund and subsequent ACH credit to the buyer through a message unit interface to the decision engine.

On page 21, lines 11-20:

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In the preferred embodim nt, the acc pted transactions from th seller disbursement file are reformatted into NACHA format and the file is submitted to the proprietary ACH system of the claimed invention.

5 The seller disbursement batch file, the seller disbursement acknowledgement file, and the ACH file are logged for future reference. If the proprietary ACH receives an ACH reject for any reason, the reject is returned to the invention claimed herein and can be passed to the merchant in the beginning of day (BOD) file. This allows for correction and possible resubmission of the
10 transaction.

On page 23, lines 18-19:

It is noted that the ACH method of reconciliation and the matching process to the original transaction is a unique feature.

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Therefore, the combination of Kravitz and Gopinathan does not teach every element of the invention. Accordingly, independent Claims 1 and 35 as amended are in allowable condition. Hence, dependent Claims 2-34 and 36-66, being dependent on allowable independent Claims 1 and 35, are in allowable condition.

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Applicant therefore respectfully requests that the Examiner withdraw the rejection under 35 USC 103(a).

(b) The Examiner stated that as to Claims reciting a proprietary five second
25 processing time is a design choice and cited that the specification disclosed no particular advantage, is used for a particular purpose or solves a stated problem as

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compared to prior art systems. The Examiner further stated that one of ordinary skill in the art would reasonably expect similar performance and benefits arising from the use of 3 or 7 second periods, as an example.

5   Applicant has amended Claims 4, 16, 30, 38, 50, and 64 accordingly to cite 'a predetermined number of seconds' lookup functionality, instead of '5 second' lookup functionality.

(c) The Examiner has rejected Claims 14, 15, 48, and 49 under 35 U.S.C. §103(a)
10   as being unpatentable over Kravitz and Gopinathan in view of Blazing A Trail in Point of Sale Transaction.

i.   Specifically, the Examiner stated that with respect to Claims 14 and 48, Kravitz and Gopinathan disclose the invention substantially as claimed and said to see
15   discussions set forth above. The Examiner further stated that it would have been obvious to one of ordinary skill in the art at the time the invention was made to have used the electronic debit mechanism of Blazing in the combination of Kravitz and Gopinathan because this would have been speeded payment, increased merchant confidence of payment, and reduced fraud losses as specifically disclosed by
20   Blazing, among other things.

The rejection of Claims 14 and 48 is deemed moot in view of Applicant's remarks regarding Claims 1 and 35 above. Claims 14 and 48 are dependent upon independent Claims 1 and 35, respectively, which are in allowable condition.
25   Therefore, Applicant resp ctfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

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ii. Specifically, the Examiner stated that with respect to Claims 15 and 49, placing a hold on funds would be obvious because this would assure collection of funds from a payor.

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The rejection of Claims 15 and 49 is deemed moot in view of Applicant's remarks regarding Claims 1 and 35 above. Claims 15 and 49 are dependent upon independent Claims 1 and 35, respectively, which are in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection

10 under 35 U.S.C. §103(a).

(d) The Examiner has rejected Claims 10, 24, 44 and 58 under 35 U.S.C. §103(a) as being unpatentable over Kravitz and Gopinathan in view Hilts et al (Hilts). The Examiner stated that it would have been obvious to one of ordinary skill in the art at

15 the time the invention was made to have provided for transaction reversal as disclosed in Hilts in the combination of Kravitz and Gopinathan because this would have been allowed for restoration of the state prior to an exceptional or defective transaction so as to eliminate loss to a seller in a particular transaction.

20 The rejection of Claims 10, 24, 44 and 58 is deemed moot in view of Applicant's remarks regarding Claims 1 and 35 above. Claims 10, 24, 44 and 58 are dependent upon independent Claims 1 and 35, respectively, which are in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

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CONCLUSION

Based on the foregoing, Applicant considers the present invention to be distinguished from the art of record. Accordingly, Applicant earnestly solicits the
5 Examiner's withdrawal of the rejections raised in the above referenced Office Action, such that a Notice of Allowance is forwarded to Applicant, and the present application is therefore allowed to issue as a United States patent.

10   Respectfully Submitted,

                            Michael A. Glenn
15   Reg. No. 30,176

Customer No. 22862

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MARKED UP VERSION SHOWING CHANGES MADE

Please amend Claims 1, 4, 16, 30, 35, 38, 50, and 64 as follows (Marked Up Copy):

5   1.   (amended) An apparatus for providing a decisioning solution for a customer, said customer accepting Internet transactions from participating parties, and for facilitating processing of payments between said participating parties, said apparatus comprising:

a decisioning engine:

10   a message unit architecture for providing smooth integration with messaging to and from said customer:

means for electronic transferring of funds between said parties, said means comprising using said message unit architecture, wherein a message unit for transfer of funds comprises, but is by no means limited to, purchase information data, seller

15   information data, shipping data information data, auction information data, buyer entered data, source generated data, client maintained data, buyer data, DDA information data, and additional credit card processing information data, wherein said customer can facilitate processing a transfer of funds through a message unit interface to said decisioning engine;

20   means for authenticating said participating parties;

means for handling exceptions between said participating parties;

means for processing and reconciling said funds using said message unit architecture;

means for interfacing with said customer's Web page using said message unit

25   architecture;

means for reporting to said customer suspicious activity by any of said parties;

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means for det rmining and indicating to said parties approval for shipment of goods and services by said customer; and

means for said decisioning engine providing said decisioning solution to said customer, said decisioning solution indicating clearance to said customer for said

5   customer to transact with said parties, and said decisioning solution based on a determined risk of any of said parties.

4.   (twice amended) The apparatus of Claim 1, wherein means for authentication of parties further comprises means for performing [5 second] a predetermined

10   number of seconds online decisioning, thereby authenticating said Internet transactions.

16.   (twice amended) The apparatus of Claim 1, wherein means for interfacing with said customer's Web page further comprises:

15   means for sending to said customer's Web page results from [a 5 second] a predetermined number of seconds decisioning process, said decisioning process for a registration process, and said decisioning process for credit card and electronic check transactions.

20 30.   (twice amended) The apparatus of Claim 2, wherein means for providing said decisioning solution to said merchant, said decisioning solution indicating clearance to said merchant for said merchant to transact with said at least one buyer, and said decisioning solution based on a determined risk of said at least one buyer, further comprises:

25   means for performing [5 second] a predetermined number of seconds online decisioning.

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35.   (amended) A method for providing a decisioning solution for a customer, said customer accepting Internet transactions from participating parties, and for facilitating processing of payments between said participating parties, comprising:

5   providing a decisioning engine:

providing a message unit architecture for providing smooth integration with messaging to and from said customer:

electronically transferring funds between said parties, said electronically transferring funds using said message unit architecture, wherein a message unit for

10   transfer of funds comprises, but is by no means limited to, purchase information data, seller information data, shipping data information data, auction information data, buyer entered data, source generated data, client maintained data, buyer data, DDA information data, and additional credit card processing information data, wherein said customer can facilitate processing a transfer of funds through a

15   message unit interface to said decisioning engine;

authenticating said participating parties;

handling exceptions between said participating parties;

processing and reconciling said funds using said message unit architecture;

interfacing with said customer's Web page using said message unit

20   architecture;

reporting to said customer suspicious activity by any of said parties;

determining and indicating to said parties approval for shipment of goods and services by said customer; and

said decisioning engine providing said decisioning solution to said customer,

25   said decisioning solution indicating clearance to said customer for said customer to

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transact with said parties, and said decisioning solution based on a determin d risk of any of said parties.

38.   (twice amended) The method of Claim 35, wherein authenticating parties

5   further comprises performing [5 second] a predetermined number of seconds online decisioning, thereby authenticating said Internet transactions.

50.   (twice amended) The method of Claim 35, wherein interfacing with said customer's Web page further comprises:

10   sending to said customer's Web page results from a [5 second a predetermined number of seconds decisioning process, said decisioning process for a registration process, and said decisioning process for credit card and electronic check transactions.

15   64.   (twice amended) The method of Claim 36, wherein providing said decisioning solution to said merchant, said decisioning solution indicating clearance to said merchant for said merchant to transact with said at least one buyer, and said decisioning solution based on a determined risk of said at least one buyer, further comprises:

20   performing [5 second] a predetermined number of seconds online decisioning.

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